

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
May 31, 2013***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# **NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND**

## **FINANCIAL HIGHLIGHTS AS OF MAY 31, 2013**

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### **Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$90.0 million. Its balance decreased \$7.6 million in the month primarily for the payment of operating expenses. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

### **Statements of Revenues, Expenses, and Changes in Fund Balance**

Net loss for the month was \$521,000 and net income year to date was \$2,775,000. Interest income on overnight investments has averaged 0.04% year-to-date, versus 0.05% during the same period last year.

### **Statements of Cash Flow**

The cash position decreased \$7.6 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$272,000 was invested in new capital assets and \$112,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$13.9 million on the balance sheet.

### **Budget (Year-to-Date)**

Agency spending was under the year-to-date budget by \$11.4 million or 10.9 percent, compared to being under the year-to-date budget by approximately \$8.9 million or 9.0 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$6.0 million or 7.9%, travel was under budget by \$2.0 million or 17.2%, and the remaining expense categories combined were under budget by \$3.4 million or 20.4%.

The average annualized travel spend per FTE was \$19,354 this year, which is \$709 less than last year.

### **Vacancies**

The Agency had 50 vacancies as of this month -- down 14 from the prior month. Of the 50 vacancies, 21 were in the central office and 29 were in the regions and AMAC. The 50 vacancies represent 4.0% percent of total authorized staff of 1,261.50.

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## BALANCE SHEETS AS OF MAY 31, 2013 AND MAY 31, 2012 (Dollars in thousands)

	5/31/2013	4/30/2013	5/31/2012
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 90,030	\$ 97,619	\$ 85,209
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	660	-	-
EMPLOYEE ADVANCES	87	84	49
OTHER ACCOUNTS RECEIVABLE , Net	258	680	803
PREPAID EXPENSES AND OTHER ASSETS	1,753	1,114	1,418
ASSETS HELD FOR SALE	95	271	668
FIXED ASSETS — Net of accumulated depreciation of \$28,318 as of May 31, 2013	30,763	30,924	31,432
INTANGIBLE ASSETS — Net of accumulated amortization of \$11,826 as of May 31, 2013	<u>4,494</u>	<u>4,503</u>	<u>6,675</u>
<b>TOTAL</b>	<b><u>\$ 128,140</u></b>	<b><u>\$ 135,195</u></b>	<b><u>\$ 126,254</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 55,424	\$ 63,813	\$ 54,669
Obligations under capital leases	78	78	58
Accrued wages and benefits	8,575	6,608	7,870
Accrued annual leave	13,832	13,832	12,699
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>13,856</u>	<u>13,968</u>	<u>15,197</u>
Total Liabilities	91,765	98,299	90,493
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>36,375</u>	<u>36,896</u>	<u>35,761</u>
<b>TOTAL</b>	<b><u>\$ 128,140</u></b>	<b><u>\$ 135,195</u></b>	<b><u>\$ 126,254</u></b>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED MAY 31, 2013 AND MAY 31, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
REVENUES:				
Operating fees	\$ 39,029	\$ 37,061	\$ 7,806	\$ 7,407
Interest	11	14	2	6
Other	<u>599</u>	<u>601</u>	<u>58</u>	<u>204</u>
Total Revenues	39,639	37,676	7,866	7,617
EXPENSES, NET:				
Employee wages and benefits, net	27,789	27,022	6,153	5,993
Travel	3,686	3,897	981	1,389
Rent, communications, and utilities	719	855	153	225
Contracted services	2,855	2,184	788	276
Depreciation and amortization	2,170	2,362	442	480
Administrative	<u>(355)</u>	<u>(284)</u>	<u>(130)</u>	<u>22</u>
Total Expenses	<u>36,864</u>	<u>36,036</u>	<u>8,387</u>	<u>8,385</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	2,775	1,640	(521)	(768)
FUND BALANCE—Beginning of period	<u>33,600</u>	<u>34,121</u>	<u>36,896</u>	<u>36,529</u>
FUND BALANCE—End of period	<u>\$ 36,375</u>	<u>\$ 35,761</u>	<u>\$ 36,375</u>	<u>\$ 35,761</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED MAY 31, 2013 AND MAY 31, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 2,775	\$ 1,640	\$ (521)	\$ (768)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	2,170	2,362	442	481
Provision for loss on disposal of employee residences held for sale	4	39	(1)	21
(Gain) loss on fixed asset retirements	-	(3)	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,380	1,182	(660)	-
Employee advances	(62)	(6)	(3)	168
Other accounts receivable	(47)	82	422	476
Prepaid expenses and other assets	(698)	(403)	(639)	(70)
(Decrease) increase in liabilities:				
Accounts payable	50,820	47,595	(8,389)	(8,777)
Accrued wages and benefits	(1,603)	(1,425)	1,967	1,846
Accrued annual leave	-	-	-	-
Accrued employee travel	(695)	(628)	-	-
Net cash provided or (used) by operating activities	<u>54,044</u>	<u>50,435</u>	<u>(7,382)</u>	<u>(6,623)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed and intangible assets	(731)	(1,364)	(272)	(712)
Proceeds from insurance on fixed assets	-	25	-	-
Purchases of employee residences held for sale	-	(820)	-	-
Proceeds from sale of employee residences held for sale	<u>755</u>	<u>510</u>	<u>177</u>	<u>200</u>
Net cash provided or (used) by investing activities	<u>24</u>	<u>(1,649)</u>	<u>(95)</u>	<u>(512)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(559)	(559)	(112)	(112)
Principal payments under capital lease obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used by financing activities	<u>(559)</u>	<u>(559)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE OR (DECREASE) IN CASH AND CASH EQUIVALENTS	53,509	48,227	(7,589)	(7,247)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,521</u>	<u>36,982</u>	<u>97,619</u>	<u>92,456</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 90,030</u>	<u>\$ 85,209</u>	<u>\$ 90,030</u>	<u>\$ 85,209</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 107</u>	<u>\$ 127</u>	<u>\$ 22</u>	<u>\$ 25</u>

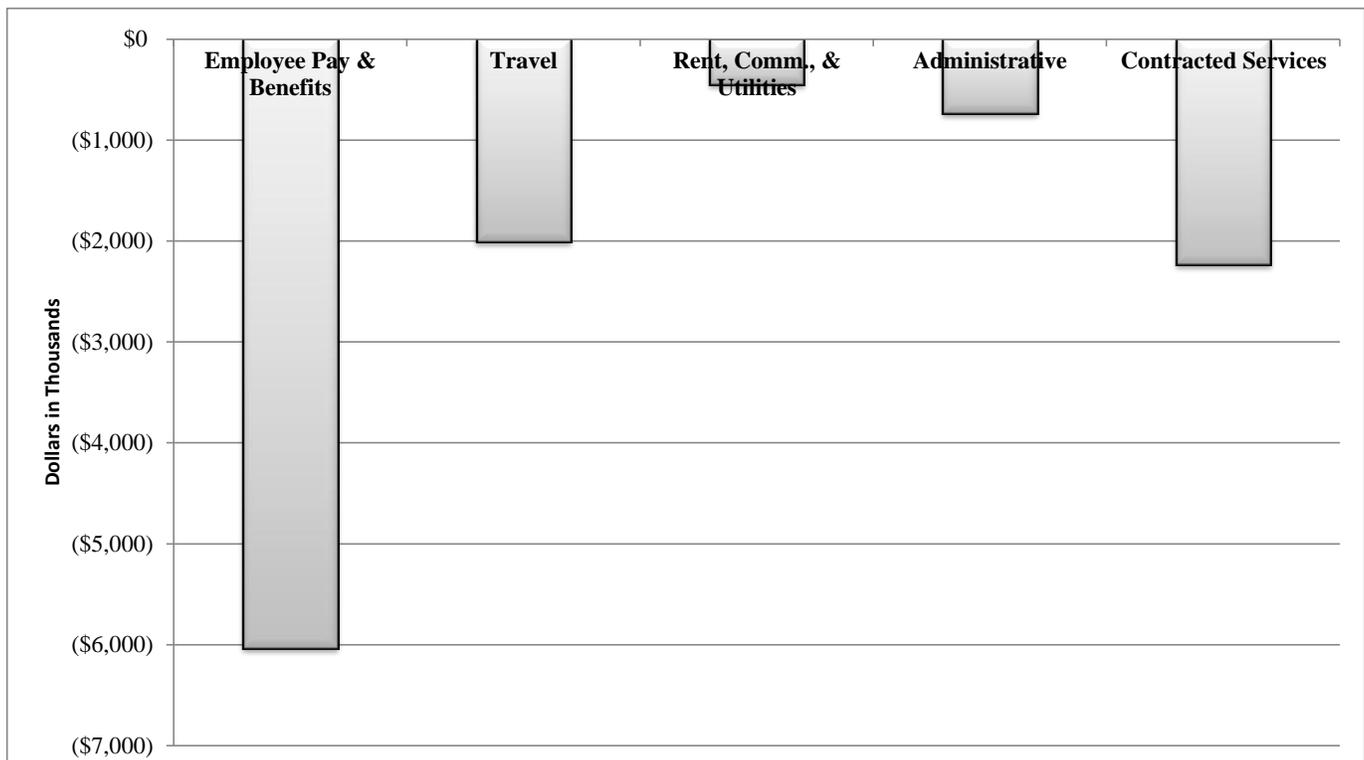
**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)  
AS OF MAY 31, 2013 AND MAY 31, 2012**

(Dollars in thousands)

	2013				2012			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	76,678	70,648	(6,031)	-7.9%	71,336	67,634	(3,702)	-5.2%
Travel	11,610	9,610	(2,000)	-17.2%	11,277	9,825	(1,452)	-12.9%
Rent, Comm., & Utilities	2,204	1,760	(444)	-20.1%	2,283	2,048	(235)	-10.3%
Administrative	5,172	4,442	(730)	-14.1%	5,608	5,103	(505)	-9.0%
Contracted Services	9,257	7,029	(2,227)	-24.1%	8,349	5,310	(3,039)	-36.4%
<b>TOTAL</b>	<b>104,920</b>	<b>93,489</b>	<b>(11,431)</b>	<b>-10.9%</b>	<b>98,853</b>	<b>89,920</b>	<b>(8,933)</b>	<b>-9.0%</b>

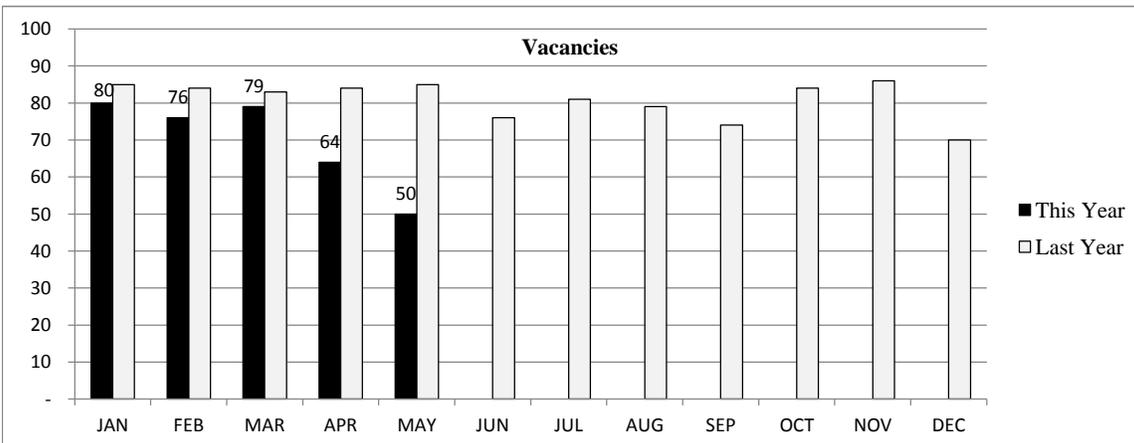
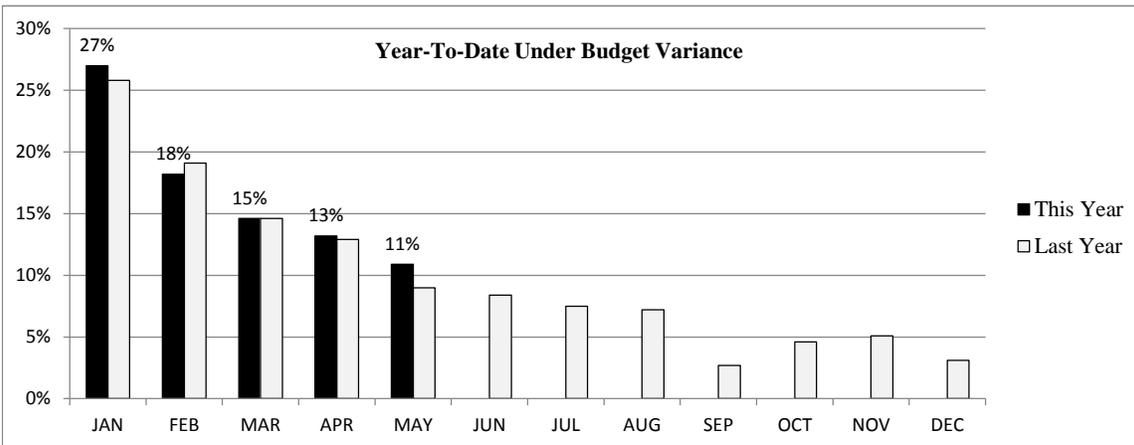
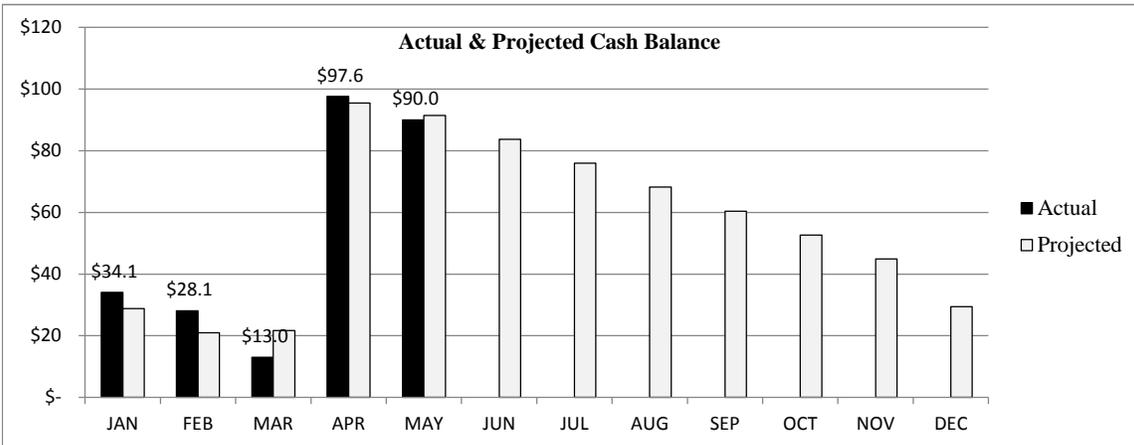
**Amount Over (Under) Budget**



Budget amounts reflect the Board-approved base budget.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS  
AS OF MAY 31, 2013 AND MAY 31, 2012**



	5/31/2013	5/31/2012
Retained earnings / Total assets	28.39%	28.32%
YTD interest income to average investments (annualized)	0.04%	0.05%
Annualized travel spend per employee	\$19,354	\$20,063
Net year to date cash inflow (outflow) in millions of dollars	\$54	\$48
Cash and overnight investments / Total assets	70.26%	67.49%
Overhead transfer rate	59.10%	59.30%